

passed by the Congress. This bill represents, first of all, successful negotiation with the administration over what had been some very contentious issues. We were able to work with our colleagues in the House and here in the Senate, on both sides of the aisle, to work out an agreed-upon bill which was passed here in the Senate, Senators may recall, with only three dissenting votes.

This bill provides funding at a level over \$5 billion less than the level of funding that was made available for this Department and these agencies for the fiscal year that ended on September 30. That shows remarkable restraint because many of the programs funded in that bill are mandatory programs, the programs that we will have to deal with when we take up the reconciliation bill later this week.

My recollection is that funding level for the bill was about \$63 billion. And of that amount, some \$50 billion was required to be funded by law: entitlement programs, reimbursements to the Commodity Credit Corporation for net realized losses, food stamp benefits that are made available to those who are entitled under the definition of the law of statutes to certain levels of food assistance. The qualifications for those benefits are set out in other laws, not the appropriations bill.

And so I am using this as an illustration to describe why it is so important if we are to continue to achieve reductions in spending in later years for us to take up and pass the budget reconciliation bill which does make changes in the eligibility for Government resources and funds under the definition of statutory law.

The amount of funds provided in the Agriculture appropriations bill for the discretionary funding programs amounted to only about \$13 billion of the total \$63 billion included in that bill. So even if we did not appropriate any money for the discretionary programs funded in that bill, next year or the next there would still be required to be spent by the Government way more than half, more than two-thirds of the total funds appropriated in that bill. That is true not only of that appropriations bill, but many others like it.

I am very glad the President signed the bill and that we were able to successfully negotiate our way through the process so that we could get a bill passed by this Congress that could be signed by the President and that does carry out the directive of the congressional budget resolution to cut spending, to try to do with less, to try to make do with less money than we have in the past for many of these programs. But we were restricted and restrained because of the provisions of law in most of the accounts that are funded in that bill.

So, to take care of that problem, to address that need, to deal with the realities facing this Congress on how we approach the challenge of reductions in

spending to achieve a balanced budget, we have to make changes in the law which qualify individuals and other entities for Federal dollars every year.

The reconciliation bill carries out that important requirement by assembling a package of changes from every legislative committee in the Congress, which will, if passed and signed by the President, reduce the costs of Federal programs over the next 7 years to the extent that by the year 2002 we not only will have a balanced budget, but we will have a surplus in the annual operating budget of the Federal Government.

That is the plan. That is the purpose of the passage of the reconciliation bill, and also the adoption of the individual appropriations bills as we are taking them up now in a process, as a part of a plan, that will meet the challenge of developing a new policy of fiscal responsibility at the Federal level.

This is the change, I am convinced, Mr. President, that the American people voted for in the last election. It is the change that President Clinton ran on when he was elected President, but he did not do anything after he was elected President to force the changes that we are now requiring under the budget reconciliation and budget process that has been adopted by the Republican Congress.

So we are trying to deliver on the promise President Clinton made when he ran and also deliver on the promises that were made by those who were candidates for Congress in the House and the Senate in the last election, and we are making progress. That is the point.

This Agriculture appropriations conference report that we adopted and the bill that was signed on Saturday by President Clinton shows that we can deliver on the promise to cut spending, to be more responsible, to make tough choices. We would like to be able to appropriate more money for the funding of programs under the jurisdiction of that committee, but we were confronted with the reality of a \$200 billion operating deficit in the last fiscal year and a budget that recommended the same thing for next year, and that was intolerable.

The Congress decided, when it adopted the resolution on the budget, that it was intolerable, and so we changed that policy and determined that we would bring the deficit down. We started doing it, and I am proud of the Congress for taking up the challenge and delivering on the promises. I hope we can continue to carry through with this kind of momentum until we achieve the success that the American people deserve and want and achieve a balanced budget by the year 2002.

Mr. President, I know there are a number of Senators on our side who indicated an interest in speaking on this and related subjects. I am happy to yield the floor so that Senators can be recognized under the previous order.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

# BUDGET RECONCILIATION ACT

Mr. CRAIG. Mr. President, let me, first of all, thank my colleague from Mississippi for the work he has done, as have many on this side of the aisle, to bring about this Budget Reconciliation Act that we will be debating later on this week that is so critical to the economic viability of our country.

For this Senator, it is absolutely exciting to stand on the floor and speak the words "balanced budget," and, for the first time in all of the years that I have had the privilege of serving my State, for those words to actually mean something.

Starting in the early eighties, I and others, when I was serving in the House, began a movement that went nationwide to bring about a constitutional amendment requiring a balanced budget. We knew that the Congress could not control or curb its spending appetite, and, of course, history proves that we were somewhat right. It was not until the American people spoke so loudly last year on the issue of debt and deficit that finally this Congress got the message, and the message was: Stop spending, control the fiscal purse strings of our Government, and bring about a balanced budget.

Of course, as most of us know—and the public was watching—we missed by one vote in producing a balanced budget amendment for the citizens of this country to consider, which would really then put ourselves on a path toward a balanced budget.

Over the course of the last 6 months, all of the appropriate committees have worked hard to produce a responsible document that we could honestly turn to the American people and say, "We are speaking to your wishes. More importantly, we are speaking to what you told us to do last November, and that was to bring about a balanced budget."

We will begin debate later this week on the Balanced Budget Reconciliation Act of 1995, and it does some very, very profound and important things for this country. But more importantly, it does some important things for our Government. It puts goals in place, it puts parameters into a dynamic process that cause this Congress to be the fiscally responsible Congress that the American people have so demanded for way too long.

My colleague from Mississippi began to outline the kinds of efforts that are incorporated in this critical piece of legislation that bring together all of the efforts of this Congress over the last good many months into a final document that will submit to the President a process and a procedure that brings us to a balanced budget by the year 2002.

The thing that I find most important about it is that while we were debating the balanced budget amendment, those from the other side cried and pleaded with the American people that Republicans were only going to balance the budget on the backs of the elderly and

we would do so by using Social Security.

Well, I say to the folks from the other side, it just "ain't" so. It was not then and it is not now. The Social Security trust funds are not being used and will not be used and Social Security is every bit as strong today and next year and the year after through the year 2002 as we had promised during that historic debate of a good number of months ago.

In fact, if you look at the year 2002, and if you want to take it just one step forward to the year 2005, when you look at the projection of the surpluses that begin to grow, you can argumentatively say that Social Security is totally aside, totally apart from the budget calculations by the year 2005 based on that surplus growth if—if—the Congress of the United States will be true to its commitment, and that commitment will be spoken to this week in this most important and historic act.

I said during the balanced budget debate of a good number of months ago, if you are worried about Social Security and its stability, then you have to be worried about debt and deficit, because if you really want to protect Social Security and you want to show to the American seniors that you mean it, then you have to control debt.

The solvency of our Government means its ability to pay its obligations. If the Congress of the United States and greedy big Federal spenders want to destroy Social Security, then they want to keep mounting debt, because there could come a day when we could not pay our bills, and Social Security, like everything else, is a bill or an obligation of the Government to pay to the recipients of the program that which it was committed to. Control the debt, as we are doing now with the Budget Reconciliation Act, and you will do nothing but strengthen Social Security in the coming years.

Mr. President, there is one other item in this whole debate that is so critical for us here in Congress to understand but, more importantly, for the American people to have a clear and unfettered message of. It was spoken well this morning in an editorial in the Washington Times called "The Great Medi-Scare."

I ask unanimous consent to have this editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### THE GREAT MEDI-SCARE

Congressional Democrats, who have been failing about in the desperate hope of bumping into an issue that will leverage them back into power, think they have finally got it. As Republicans in the House celebrated their party-line victory on legislation to reform Medicare, Democrats attempted to taunt them, childishly waving their hands and mouthing "bye, bye."

This undignified spectacle came after a day chock full of those impassioned, if not unhinged, speeches House Democrats have been cranking out denouncing the GOP—

"It's another day of infamy for 40 million Americans who depend on Medicare," railed Florida Rep. Sam Gibbons; the bill is an affront to "human decency" cried House Minority Leader Richard Gephardt. But if the Republicans' vote was indecent and infamous, how do Democrats explain their expression of glee? The display suggests that one of several unpleasant conclusions must be drawn about the new minority party: Either the Democrats are happy to see seniors suffer just so long as that misery is their ticket back to power; or the Democrats know full well that their apocalyptic pronouncements are hollow, in which case they were doing nothing worse than celebrating what they think was a successful scare campaign.

Exactly how successful has the scare campaign been? There is a belief among Democrats and some political analysts that Republicans are making a fatal error by even attempting to reform Medicare. The specter of seniors mobbing Rep. Dan Rostenkowski is raised time and again, a mere prelude, we are to believe, of the elderly's wrath to come. The thought gives comfort to the Gibbonses and Gephardts and is supposed to put fear in the hearts of Republicans. But Medicare reform and Rosty's catastrophic-care legislation are by no means analogous. Medicare reform merely limits the rate of growth in the program, boosting seniors' costs marginally if they remain in traditional fee-for-service Medicare, and saving money for many of the elderly who choose one of the various insurance options to be offered for the first time—such as medical savings accounts. In any case, once all the hype has died down, seniors will realize that their benefits are in tact, and their out-of-pocket expenses have not exploded. That was not the case with Rosty's catastrophic legislation.

The new entitlement that Mr. Rostenkowski briefly imposed on the nation in 1989—before it was withdrawn in the face of vociferous protest—was financed in a way that fit liberal sensibilities very nicely, but enraged the segment of the elderly population that got stuck with the bill. Instead of spreading the costs out among all taxpayers, wealthy seniors were forced to pick up the tab almost exclusively. Paying for the whole program meant that there was a distinct population of senior citizens who were hit with new taxes of \$800 a year. Is it any wonder they rioted? It is hard to imagine that senior citizens whose Medicare premiums go up \$4 more than they would have otherwise will react with quite the same fervor and gusto as those who took an \$800 hit. In other words, liberals who think the Republicans' Medicare reform will produce a catastrophic backlash are engaged in wishful thinking.

Once the Republican plan is up and running, the scaremongering will have no more resonance. Perhaps, however, House Democrats are counting on the reforms never becoming law; President Clinton has, after all, promised to veto the legislation. But Capitol Hill Democrats should know by now that they can't rely on Mr. Clinton—a fact that was in stark relief last week when the president blamed his long-suffering allies on the Hill for his whopping 1993 tax hikes. There is every reason to believe that when Mr. Clinton is confronted with the prospect of a government shutdown, the veto pen will stay in his pocket. Republican leaders no doubt will toss the president a few face-saving changes on Medicare and other budget items, and Mr. Clinton will acquiesce, much as he did on this year's rescission bill.

Then where will congressional Democrats be? They may yet be waving bye-bye—that is, from their seats on the Greyhound.

Mr. CRAIG. Mr. President, the great medi-scare. Oh, my goodness, I watched with great interest this past week when the House voted by a very large bipartisan vote to reform Medicare. The wringing of hands and the gnashing of teeth from the other side of the aisle, from liberals who wanted to argue that this would be the destruction of health care as we know it to the seniors of our society, how tragic that kind of debate is in an attempt to split people, to use scare tactics to anger and frustrate the American people when what we are doing is exactly what Congress has done ever since Medicare was created by this Congress: To manage it on a yearly or biyearly basis and, whenever necessary, to make adjustments and changes in the program to make sure it could continue to provide the kind of health care reimbursement that it has historically provided.

How many times has the Congress addressed changes in Medicare? Almost too many to count since it was created back in the seventies. Why? Because we are the board of directors of Medicare. It is our job to make sure it is solvent, to make sure it works, to make sure it honors its commitment to that portion and that share of the senior citizen dollar that goes in in the form of premiums, to pay that dollar that is matched with the Federal dollar. And, as a result, Medicare has always been there, and it will always be there.

I am sorry, I say to those who have no better answer and are trying to use the emotion of senior citizens in this country as the political tactics of 1996, folks, it is not going to work because already the seniors have seen through it. They have recognized that they have been used over the years in the arguments of Social Security reform, and now they are being used—I repeat the word "used"—in the arguments of changing Medicare when, in fact, what we are doing is creating new dynamics in a program that will allow seniors greater choice, greater opportunity, and greater independence in their health care delivery systems.

Why should they not be allowed to choose between a provider fee system, between HMO's, between a variety of other options that are out there? The important words are "allowed to choose," not being forced or not being shoved into a new program, but being allowed to choose a variety of options, including staying exactly where they are today.

Now, because we have never offered that choice in the past, the dynamics of the Medicare trust funds have not had the flexibility to create the efficiencies that we ought to have. As a result, the costs of those funds, based on demand, escalated at over 10.4 percent a year when private health care costs last year were 4 percent, and this year could be 4 percent. Why is it that a Federal health care program is not at least reflecting and mirroring the cost of private health care? Because it is

federally rigid; because the rules and regulations will not allow the dynamics in the marketplace of choice, independence, and of selection that every other citizen in our country has. That is exactly what we are providing. Yet, the opposition is saying it is going to destroy it. They are trying to use it as a political tactic.

Why do I talk about the Balanced Budget Reconciliation Act and Medicare all at the same time? Because it is all of a total budget that this Congress has to look at. It is part of the kind of reform that is critical when it relates to the dynamics of making the kinds of overall savings that produces a balanced budget by the year 2002 and honors the commitment we have had to the American people that we are going to start being fiscally responsible and we are not going to be continually running up debt that is now at \$4.8 or \$4.9 trillion and accumulating faster than the average citizen can absolutely comprehend.

If we will do anything this year, we will be able to turn to the American people and say, we heard you, we listened, and we responded, and we have set the Government on a course of action that will cause us to be fiscally responsible, that will allow us to look out into the future and say, we have indebted our children less, and we will allow them to have greater freedoms of opportunity in selecting their jobs and keeping more of their own made money for the purposes of providing for themselves and their children.

That is what this debate is all about. We are going to look at it program by program, detail by detail, going through Wednesday, Thursday, and into Friday of this week. I hope the American people are listening because what they will hear in the end will not be frightening. It will be a very loud, clear, analytical debate, program by program, on what this Congress is doing to control a runaway budget. And that is exactly what they expect us to do.

To the seniors of this country, please listen, do not be frightened by what is known as scare mongering. That is what this editorial was saying; that the Democrats are running to the only thing that will resonate at this moment—scare mongering—instead of working with us in a constructive way to maintain a dynamic and important program for this country.

I remember back in the early 1980's when Social Security was in trouble and I was a freshman legislator on the other side. Those who were in control of the Congress at that time—the Democrat Party—tried just that. Ronald Reagan said, "Oh, no, you don't. I am going to bring you, the Congress, and the Presidency together, in a bipartisan way, and we are going to fix this problem. There is not going to be any fear, there is not going to be any fright. We are going to create the dynamics that assures the stability of Social Security on into the future."

He pulled their scare mongering platform out from under them. As a result, we got a phenomenally dynamic, bipartisan process that stabilized Social Security as it is today and will into the future if we balance the budget and take the debt fear away. That is the same responsibility we have with Medicare. I challenge my colleagues on the other side—down with your bright line graphs, down with your rhetoric, and up with your willingness to work with us to create a bipartisan dynamics, both in the budget process and in the securing of a stable Medicare Program that we can turn to the American people and say, we heard you, we honored you, and we are committed to a stable Government in the future that lives within its means.

I yield the remainder of my time.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas [Mrs. HUTCHISON] is recognized.

#### BALANCED BUDGET RECONCILIATION ACT OF 1995

Mrs. HUTCHISON. Mr. President, I thank the Senator from Idaho, who made a terrific statement, and the Senator from Mississippi, who asked many of us to talk about the big picture. So many times in this Congress we talk about the minutia, the crisis of the day—and it seems like there is a crisis every day. But I think it is time, because the rhetoric is flying and because tempers are getting short, that we step back and look at the big picture.

Almost 1 year ago, the people elected a new Congress. They rejected business as usual; they ended the reign of spend-thrifts that mortgaged their grandchildren's future for a handful of votes on the first Tuesday every other year.

Now, after a year of preparation, we are ready to put into effect the changes that will protect us from bankruptcy and preserve the strength of our Union. During this week, we will debate our future course as a people and as a government.

The question before us is simple: Will we follow the path of those who want us to tax and spend and borrow until we are so deep in debt and denial that we are fiscally and morally bankrupt? Or, will we set this country on the path toward freedom and prosperity for all, with charity for those who cannot help themselves?

One of our greatest leaders, Abraham Lincoln, said, "A house divided against itself cannot stand." Just as our country could not live "half slave half free," it cannot live in a perpetual class war with the poor incited to battle the rich, the old to fight the young, or the sick to fight the healthy. We cannot make the public better off by pitting them against one another for partisan advantage. We must work together for the benefit of all of us—for our children, for our handicapped, for our elderly—instead of using them as

props in publicity stunts designed to turn people against progress without examining the facts.

President Clinton has led the charges that Republicans seek to gut Medicare to give a tax break to the rich. How many times have you heard that said in the last few weeks? The Speaker of the House said that the President has reduced himself to scaring old people to try to defeat our balanced budget. In his all-out effort to defend the status quo, the President, who campaigned for change, takes advantage of his most vulnerable citizens and threatens the solvency of their health care trust.

Last week, when President Clinton admitted that he and the Democrats in Congress had made a mistake in raising taxes, according to the Washington Post, reporters for the Washington Post, New York Times, Chicago Tribune, and Los Angeles Times skipped the speech and went out for Mexican food.

I will not argue with their choice of menus—after all, they were in Texas—but when they read the speech later, they still did not think it was news.

Apparently, they are so used to the flip-flops by the President that his repudiation of the largest tax increase in the history of America did not sink in.

I am not surprised that the President chose Texas as the place to admit that his tax hikes were a mistake, because in Texas most Democrats believe that Government should take less, not more. That is why so many of them have either been crossing the aisle or supporting Republicans.

Why are they doing that? Because we are protecting the elderly by saving Medicare from bankruptcy. We are lowering taxes on the middle class, and we are cutting spending to balance the budget.

In short, Mr. President, we are keeping our promises. We are not protecting the status quo. We are reordering priorities and ending fraud, waste, and subsidies.

We must act now. If no changes are made to the budget, entitlement spending, Social Security, Medicare, Medicaid, welfare, and Federal retirement plus interest on the debt will take over the entire Federal budget by the year 2012.

Now, Mr. President, think of that. In the year 2012, entitlement spending which is Social Security, Medicare, Medicaid, welfare, and retirement plus interest on the debt will be the entire Federal budget. There will be no defense spending, no spending to help crime, education, or anything else.

Medicare will be insolvent next year according to members of the President's own Cabinet. By the year 2002, it will be bankrupt.

Our Medicare reform proposal slows the rate of growth but it does not cut spending in Medicare. It slows the rate of growth, but increased spending will amount to 73 percent over the next 7 years. The total spending will be \$1.6 trillion for Medicare alone. No one will